

# **FACT SHEET**

January 24, 2007

**REQUEST: one-time  
appropriation of \$100,000**

## **The Volunteer Income Tax Assistance Program: Earn It. Keep It. Save It.**

The Earn It. Keep It. Save It. initiative is a public-private partnership working to strengthen family financial stability through increased utilization of the Earned Income Tax Credit (EITC), Volunteer Income Tax Assistance (VITA), and asset formation programs.

VITA is a program implemented through the statewide Earn It. Keep It. Save It. campaign by local community coalitions that provide free tax preparation services to low-income households. VITA volunteers work with tax filers to ensure that the tax filer receives all of the credits to which they are entitled, such as the EITC. To be eligible for free tax preparation a household's income must be under \$38,000.

### **KEY FACTS**

- Over 10,000 tax returns were prepared through VITA in 2006
- More than \$9.5 million was claimed in EITC and other tax credits
- There are over 40 VITA sites throughout the state of Utah
- Each volunteer is certified by the IRS as a tax preparer
- Over \$80 million dollars of EITC is left unclaimed each tax year in Utah
- More than \$500,000 dollars was saved in tax preparation fees by tax filers using VITA sites

### **WHAT IS THE EARNED INCOME TAX CREDIT?**

The EITC (Earned Income Tax Credit) is a refundable federal tax credit that can increase the effective wage of qualifying workers by up to \$2/hour. As many as 40,000 households fail to file for the EITC because they are not aware of it, because they don't earn enough to be required to file taxes or because of education and language barriers. It is estimated that up to \$80 million in federal EITC money is left unclaimed by Utahns each year. An economic impact study commissioned by United Way of Salt Lake found that each increase of 10,000 households in utilization of the EITC could bring an additional \$17 million in direct EITC payments to Utah and generate approximately \$63 million in additional state and local economic activity.

**FOR MORE INFORMATION contact  
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